

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 2507
Order No. R-2212

APPLICATION OF UNION OIL COMPANY OF
CALIFORNIA FOR AN ORDER CREATING A
NEW OIL POOL, ESTABLISHING SPECIAL
RULES AND REGULATIONS FOR SAID POOL,
AND CONTRACTING THE ANDERSON RANCH-
WOLFCAMP POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 28, 1962, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 18th day of April, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Union Oil Company of California, seeks the creation of the North Anderson Ranch-Wolfcamp Pool comprising acreage in Sections 28, 32 and 33, Township 15 South, Range 32 East, and Section 2, Township 16 South, Range 32 East, all in Lea County, New Mexico, and the establishment of Special Rules and Regulations for said pool, including a provision establishing 80-acre proration units therein.

(3) That the applicant further seeks the contraction of the Anderson Ranch-Wolfcamp Pool by the deletion of certain portions of the above-described sections.

(4) That the evidence indicates that the proposed North Anderson Ranch-Wolfcamp Pool and the Anderson Ranch-Wolfcamp Pool are two separate and distinct reservoirs which are separated by an impermeable zone.

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(5) That the evidence indicates that one well in the North Anderson Ranch-Wolfcamp Pool will efficiently and economically drain in excess of 80 acres.

(6) That 80-acre proration units should be established in said pool with an 80-acre proportional factor of 4.77.

IT IS THEREFORE ORDERED:

(1) That the North Anderson Ranch-Wolfcamp Pool, consisting of the following-described acreage, is hereby created:

NEW MEXICO PRINCIPAL MERIDIAN

TOWNSHIP 15 SOUTH, RANGE 32 EAST

Section 28: S/2 SW/4, SE/4

Section 32: E/2 E/2

Section 33: W/2, NE/4

TOWNSHIP 16 SOUTH, RANGE 32 EAST

Section 2: Lots 1, 2, 7 and 8

(2) That the Anderson Ranch-Wolfcamp Pool is hereby contracted by the deletion of the following-described acreage:

NEW MEXICO PRINCIPAL MERIDIAN

TOWNSHIP 15 SOUTH, RANGE 32 EAST

Section 28: S/2 SW/4, SE/4

Section 32: E/2 SE/4

Section 33: W/2, NE/4

TOWNSHIP 16 SOUTH, RANGE 32 EAST

Section 2: Lots 1, 2, 7 and 8

(3) That Special Rules and Regulations for the North Anderson Ranch-Wolfcamp Pool are hereby promulgated as follows, effective May 1, 1962:

SPECIAL RULES AND REGULATIONS
FOR THE
NORTH ANDERSON RANCH-WOLFCAMP POOL

RULE 1. Each well completed or recompleted in the North Anderson Ranch-Wolfcamp Pool or in the Wolfcamp formation within one mile of said pool, and not nearer to nor within the limits of another designated Wolfcamp Pool, shall be spaced, drilled, operated and prorated in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the North Anderson Ranch-Wolfcamp Pool shall be located in a unit containing

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80 acres, more or less, which unit shall contain two governmental quarter-quarter sections, or lots, joined by a common bordering side; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. The allowable for all wells in the North Anderson Ranch-Wolfcamp Pool shall be determined by applying the following formula:

$$\begin{aligned} \text{Allowable for the unit} = & \left[\begin{array}{l} \text{Normal unit} \\ \text{Allowable} \end{array} \times \begin{array}{l} 40\text{-acre proportional} \\ \text{factor (3.77)} \end{array} \right] + \\ & \left[\begin{array}{l} \text{Normal unit} \\ \text{Allowable} \end{array} \times \frac{\text{No. of acres in unit} - 40}{40} \right] \end{aligned}$$

RULE 4. The initial well on any 80-acre unit in said pool shall be located on either the NE/4 or the SW/4 of a governmental quarter section, such well to be located no closer than 330 feet to the boundary lines of the quarter-quarter section in which the well is located; except, however, that all wells located south of the common line formed by Townships 15 and 16 South shall be located on either the NW/4 or the SE/4 of a governmental quarter section. Any well drilled in the subject pool prior to the date of this order is hereby granted an exception to the well location requirements of this order.

RULE 5. For good cause shown, the Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing where the application is for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director of the Commission may approve the application if, after a period of 30 days, no offset operator has entered an objection to the formation of such non-standard unit.

The allowable assigned to any such non-standard unit shall bear the same ratio to a standard allowable in the North Anderson Ranch-Wolfcamp Pool as the acreage in such non-standard unit bears to 80 acres.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

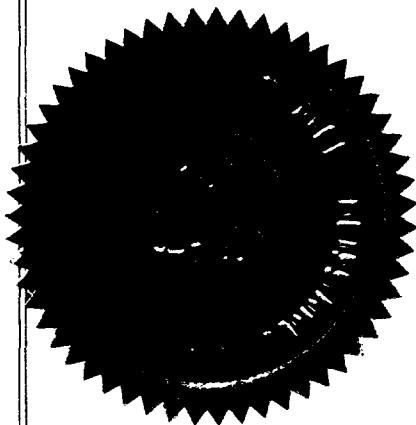
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman


E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary



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